

July 30, 2012

The Ellettsville, Indiana, Town Council met for a public hearing on Monday, July 30, 2012, at the Fire Department Training and Conference Room. Scott Oldham called the meeting to order at 7:00 p.m. Phillip Smith said the prayer followed by the Pledge of Allegiance led by Dianna Bastin.

Roll Call: Members present were Scott Oldham, President; Dianna Bastin, David Drake and Phillip Smith. Dan Swafford was late. Sandra Hash, Clerk Treasurer, and Darla Brown, Town Attorney, were also present

Supervisor Present was: Tony Bowlen.

Ordinance 2012-17 to Re-establish a Cumulative Capital Development Fund

David Drake made a motion that Ordinance 2012-17 be submitted for first reading. Phillip Smith seconded.

The following discussion took place before the vote:

Sandra Hash explained the CCD Fund is a cumulative fund that is outside the levy and was originally established in 1994. As the assessed valuation goes up the rate continues to decline. This is merely re-establishing the fund to try and get the rate up to the statutory amount which is 5¢ per \$100. It is unlikely it will ever reach that rate. It was re-established in 2002. The rate dipped before it went to 4%. It went down to 1% when the state changed to true tax value in 2003. Currently it is down from 4¢ per \$100 to 3.1¢ per \$100. Re-establishing tries to increase the rate back to where it was.

Dianna Bastin wanted to clarify it says .0310. Ms. Hash stated it's 3¢ per \$100 of assessed valuation.

Russ Ryle asked when it's outside the levy does it mean that this rate would be collected over and above the ceiling on property caps. In other words if he had a \$100,000 property and was at the cap this means, hypothetically, instead of paying \$1,000 in taxes he would be paying \$1,050 in taxes a year. Ms. Hash responded she thinks that's correct. Mr. Ryle asked if it is a true tax increase above the property tax cap established by the state. Ms. Hash answered the tax has been paid for many years. This year it was paid at 3.1¢ per \$100. Mr. Ryle stated so they are currently paying more than 1% on some properties.

Scott Oldham commented this has always been set outside the levy even before property tax caps were introduced. This is something that the state legislature looked at and set outside of property tax levy. This is really almost apples and oranges. It's always been in effect, outside the property tax levy, outside of any other levies and is a stand alone issue. Mr. Ryle asked if it's paid through the property tax system. Ms. Hash said yes, it's figured into the property tax. Mr. Oldham reiterated it is outside the levy so it's not as though they're trying to exceed it anymore than what it has been in the past.

Sandra Hash commented the only other tax that can be outside the levy is debt and that is only through referendums on the ballot.

David Drake asked if the current police and fire debt on the two buildings is set to be paid off next year. Ms. Hash said no, they're not to be paid off. There will be a reduction. Next year it will be \$100,000 less per debt that is collected. Mr. Drake stated more than likely the additional 1.9¢, if the Town gets that much, would be offset by the reduction in the debt. Ms. Hash commented she doesn't think the homeowners are going to see a significant increase in their property tax. Mr. Drake stated, obviously, the state has severely cut the ability of municipalities to keep up with the cost of living. It's interesting they made sure they got their taxes collected which have helped the state debt but in the process they left the municipalities to fend for themselves. This is just one little way the Town can make up a little bit of ground. No one is really for raising taxes and they all have to pay the tax just like everybody else. Unfortunately, the cost of living continues to go up. With the small increase they're allowed each year in the base property tax they can do some

things they need to do with this money. Obviously, the City of Bloomington felt the same way because they just re-established theirs and they have a lot more money than Ellettsville. This is really something the Town needs to do.

Scott Oldham thinks it’s really important to add if the Town does not do this, the items that are paid for out of the Cumulative Fund would have to come out of the General Fund. This would impact the ability for the Town to provide services down range and may, in fact, impact the ability to provide jobs for the current work force. The things paid for out of cumulative funds are not niceties they are requirements. The Town must have these items. In that regard, there isn’t a whole lot of choice.

Roll Call Vote: Scott Oldham – yes; Dianna Bastin – yes; David Drake – yes and Phillip Smith - yes. Motion carried 4-0.

David Drake made a motion that Ordinance 2012-17 be adopted on the same day at which it is introduced. Dianna Bastin seconded. Roll Call Vote: Scott Oldham – yes; Dan Swafford – yes; Dianna Bastin – yes; David Drake – yes and Phillip Smith - yes. Motion carried 5-0.

David Drake made a motion that Ordinance number 2012-17 be adopted. Dianna Bastin seconded. Roll Call Vote: Scott Oldham – yes; Dan Swafford – yes; Dianna Bastin – yes; David Drake – yes and Phillip Smith - yes. Motion carried 5-0.

Adjournment

Phillip Smith made a motion to adjourn. Dan Swafford seconded. Motion carried. Dan Swafford adjourned the meeting at 7:10 p.m.

<hr/> Scott Oldham, President	<hr/> Dan Swafford, Vice-President
<hr/> Dianna S. Bastin	<hr/> Phillip Smith
<hr/> David Drake	<hr/> Sandra Hash, Clerk Treasurer, IAMC, MMC